

ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2004

LARGE CAP DOMESTIC EQUITY	June-04					March-04				December-03				September-03				Current Fiscal YTD	Prior Year FY03	3 Years Ended 6/30/2003	5 Years Ended 6/30/2003
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Allocation		Quarter	Net ROR	Net ROR	Net ROR	Net	Net	
	Market Value	Actual	Policy	Net ROR		Market Value	Actual	Policy		Net ROR	Market Value	Actual	Policy	Net ROR	Market Value						Actual
Structured Growth																					
LA Capital	60,439,685	4.4%	4.5%	2.77%	1.97%	59,222,471	4.3%	4.5%	-0.32%	59,429,333	4.5%	4.5%	9.12%	54,433,606	4.5%	4.5%	N/A	N/A	N/A	N/A	
AllianceBernstein	-	0.0%	0.0%	N/A	N/A	11	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	
Total Structured Growth	60,439,685	4.4%	4.5%	2.77%	1.97%	59,222,482	4.3%	4.5%	-0.32%	59,429,333	4.5%	4.5%	9.12%	54,433,606	4.5%	4.5%	6.62%	19.20%	-1.48%	-20.46%	
Russell 1000 Growth				1.94%	1.25%				0.79%				10.41%				3.92%	17.88%	2.93%	-21.55%	
Structured Value																					
LSV	63,536,270	4.7%	4.5%	2.13%	3.96%	63,797,968	4.7%	4.5%	6.07%	65,556,517	5.0%	4.5%	15.61%	56,852,843	4.7%	4.5%	3.36%	29.44%	-2.05%	9.06%	
Russell 1000 Value				0.88%	2.36%				3.03%				14.19%				2.06%	21.13%	-1.02%	-2.19%	
Enhanced Russell 1000 Index																					
LA Capital	73,647,030	5.4%	4.5%	1.47%	1.68%	62,455,165	4.6%	4.5%	1.60%	61,506,658	4.6%	4.5%	11.80%	55,020,114	4.6%	4.5%	2.89%	18.59%	1.08%	N/A	
Russell 1000				1.40%	1.80%				1.90%				12.26%				3.00%	19.48%	0.96%	N/A	
Enhanced S&P 500 Index																					
Northern Trust	81,990,797	6.0%	4.5%	1.40%	1.76%	59,237,198	4.3%	4.5%	1.83%	58,209,002	4.4%	4.5%	12.42%	51,778,887	4.3%	4.5%	2.51%	19.00%	0.28%	N/A	
Strong	15,529,197	1.1%	4.5%	1.68%	3.15%	61,592,564	4.5%	4.5%	2.68%	60,017,398	4.5%	4.5%	12.76%	53,231,843	4.4%	4.5%	2.89%	21.13%	3.30%	N/A	
Westridge	77,317,626	5.7%	4.5%	1.74%	1.92%	64,487,503	4.7%	4.5%	1.76%	63,419,893	4.8%	4.5%	12.24%	56,514,305	4.7%	4.5%	2.67%	19.30%	0.56%	N/A	
Total Enhanced S&P 500 Index	174,837,619	12.8%	13.5%	1.61%	2.28%	185,317,265	13.6%	13.5%	2.09%	181,646,293	13.7%	13.5%	12.47%	161,525,035	13.4%	13.5%	2.69%	19.81%	1.35%	N/A	
S&P 500				1.72%	1.94%				1.69%				12.18%				2.64%	19.11%	0.24%	N/A	
S&P 500 Index																					
State Street	41,512,648	3.0%	3.0%	1.72%	1.94%	41,831,723	3.1%	3.0%	1.68%	41,161,194	3.1%	3.0%	12.16%	36,694,194	3.0%	3.0%	2.64%	19.08%	0.31%	-11.14%	
S&P 500				1.72%	1.94%				1.69%				12.18%				2.64%	19.11%	0.24%	-11.20%	
TOTAL LARGE CAP DOMESTIC EQUITY	413,973,252	30.4%	30.0%	1.75%	2.27%	412,624,603	30.2%	30.0%	2.22%	409,299,996	30.9%	30.0%	12.33%	364,525,793	30.3%	30.0%	3.03%	20.38%	0.49%	-9.68%	
S&P 500				1.72%	1.94%				1.69%				12.18%				2.64%	19.11%	0.24%	-11.20%	
SMALL CAP DOMESTIC EQUITY																					
Manager-of-Managers																					
SEI	138,021,692	10.1%	10.0%	-0.89%	3.15%	143,745,408	10.5%	10.0%	6.67%	138,627,573	10.5%	10.0%	14.93%	126,781,889	10.5%	10.0%	9.73%	33.33%	0.68%	N/A	
Russell 2000 + 200bp				0.98%	4.38%				6.78%				15.07%				9.60%	35.99%	0.37%	N/A	
TOTAL SMALL CAP DOMESTIC EQUITY	138,021,692	10.1%	10.0%	-0.89%	3.15%	143,745,408	10.5%	10.0%	6.67%	138,627,573	10.5%	10.0%	14.93%	126,781,889	10.5%	10.0%	9.73%	33.33%	0.68%	-3.37%	
Russell 2000				0.47%	4.21%				6.26%				14.52%				9.07%	33.36%	-1.64%	0.97%	
INTERNATIONAL EQUITY																					
Large Cap - Core																					
State Street	56,592,253	4.2%	4.0%	0.62%	2.48%	56,278,693	4.1%	4.0%	4.41%	57,022,569	4.3%	4.0%	14.33%	50,017,192	4.2%	4.0%	6.10%	27.44%	-9.96%	-13.28%	
MSCI EAFE - 50% Hedged				1.16%	2.28%				4.09%				13.15%				6.58%	26.98%	-11.24%	-14.65%	
Large Cap - Active																					
Capital Guardian	139,489,262	10.2%	10.0%	-0.43%	1.11%	140,191,853	10.3%	10.0%	3.09%	137,780,918	10.4%	10.0%	13.65%	121,648,049	10.1%	10.0%	7.48%	25.40%	-11.30%	-14.96%	
Bank of Ireland	28,098,746	2.1%	2.0%	0.80%	1.34%	27,897,893	2.0%	2.0%	1.62%	27,096,615	2.0%	2.0%	17.49%	23,146,777	1.9%	2.0%	2.70%	23.61%	-10.28%	N/A	
Total Large Cap - Active	167,588,008	12.3%	12.0%	-0.22%	1.15%	168,089,746	12.3%	12.0%	2.85%	164,877,533	12.5%	12.0%	14.27%	144,794,826	12.0%	12.0%	6.69%	25.11%	-11.12%	-14.58%	
MSCI EAFE - 50% Hedged				1.16%	2.28%				4.09%				13.15%				6.58%	26.98%	-11.24%	-14.65%	
Small Cap - Active																					
Lazard	30,144,304	2.2%	2.0%	4.22%	4.19%	28,952,254	2.1%	2.0%	9.32%	27,361,003	2.1%	2.0%	14.48%	26,522,836	2.2%	2.0%	10.72%	44.40%	-2.32%	N/A	
Wellington	29,315,776	2.2%	2.0%	-0.66%	3.10%	30,249,458	2.2%	2.0%	9.37%	27,311,308	2.1%	2.0%	17.49%	27,825,562	2.3%	2.0%	17.28%	42.26%	5.97%	N/A	
Total Small Cap - Active	59,460,080	4.4%	4.0%	1.73%	3.65%	59,201,713	4.3%	4.0%	9.34%	54,672,311	4.1%	4.0%	12.96%	54,348,397	4.5%	4.0%	14.01%	43.25%	1.75%	N/A	
Citigroup Broad Market Index < \$2BN				-0.16%	4.60%				12.80%				13.31%				15.95%	47.95%	3.91%	N/A	
TOTAL INTERNATIONAL EQUITY	283,640,341	20.8%	20.0%	0.36%	1.93%	283,570,152	20.8%	20.0%	4.47%	276,572,413	20.9%	20.0%	14.01%	249,160,415	20.7%	20.0%	8.08%	29.19%	-8.22%	-12.63%	
MSCI EAFE - 50% Hedged				1.16%	2.28%				4.09%				13.15%				6.58%	26.98%	-11.24%	-14.65%	
EMERGING MARKETS EQUITY																					
Capital Guardian	66,153,477	4.9%	5.0%	-10.97%	-0.98%	77,543,233	5.7%	5.0%	9.14%	71,053,188	5.4%	5.0%	14.85%	69,341,678	5.8%	5.0%	14.62%	27.91%	7.15%	-10.61%	
MSCI Emerging Markets Free				-9.58%	0.46%				9.71%				17.81%				14.23%	33.50%	6.96%	-7.07%	
DOMESTIC FIXED INCOME																					
Core Bond																					
Western Asset	11,811,291	0.9%	0.9%	-1.54%	0.81%	11,861,957	0.9%	0.9%	2.83%	10,362,007	0.8%	0.9%	1.24%	9,813,527	0.8%	0.9%	-0.47%	2.02%	13.42%	11.88%	
Lehman Aggregate				-2.44%	0.57%				2.66%				0.32%				-0.15%	0.32%	10.39%	10.07%	
Active Duration																					
WestAM (Criterion)	11,592,239	0.9%	0.9%	-2.56%	0.43%	10,496,939	0.8%	0.9%	2.45%	10,156,767	0.8%	0.9%	0.32%	9,699,747	0.8%	0.9%	-0.39%	-0.25%	9.93%	9.39%	
Lehman Aggregate				-2.44%	0.57%				2.66%				0.32%				-0.15%	0.32%	10.39%	10.07%	
Index																					
Bank of ND	18,408,081	1.4%	1.2%	-3.18%	0.49%	18,587,997	1.4%	1.1%	3.09%	15,963,652	1.2%	1.1%	-0.10%	15,583,901	1.3%	1.0%	-0.73%	-1.03%	12.59%	11.06%	
Bank of ND Match Loan CD Program	7,925,375	0.6%	0.6%	1.27%	0.42%	8,210,913	0.6%	0.6%	0.87%	8,680,209	0.7%	0.7%	1.41%	8,664,626	0.7%	0.7%	1.43%	5.08%	5.83%	5.84%	
Total Index	26,333,455	1.9%	1.8%	-2.34%	0.47%	26,798,911	2.0%	1.8%	2.61%	24,643,862	1.9%	1.8%	0.23%	24,248,527	2.0%	1.8%	-0.21%	0.23%	10.77%	10.08%	
Lehman Gov/Credit				-3.17%	0.41%				3.08%				-0.03%				-0.50%	-0.72%	13.15%	10.82%	

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	June-04					March-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Ended 6/30/2003 Net	Ended 6/30/2003 Net
Convertibles																					
TCW	11,921,260	0.9%	0.9%	1.59%	2.48%	11,606,772	0.9%	0.9%	2.55%	11,221,398	0.8%	0.9%	10.01%	9,984,713	0.8%	0.9%	1.86%	16.74%	10.37%	-9.08%	N/A
<i>First Boston Convertible Index</i>				-0.87%	1.19%				3.60%				8.54%				2.67%	14.44%	15.35%	-3.81%	N/A
BBB Average Quality																					
Strong	11,220,043	0.8%	0.9%	-3.58%	0.53%	11,507,093	0.8%	0.9%	3.37%	10,263,580	0.8%	0.9%	1.47%	9,899,987	0.8%	0.9%	0.16%	1.29%	14.81%	10.35%	N/A
<i>Lehman BBB</i>				-3.55%	0.47%				3.41%				1.22%				0.27%	1.23%	18.33%	9.91%	N/A
Timberland																					
Evergreen (Wachovia)	20,545,864	1.5%	1.5%	2.46%	0.31%	20,449,518	1.5%	1.5%	1.89%	19,855,115	1.5%	1.5%	6.04%	18,287,910	1.5%	1.5%	-0.22%	10.46%	12.50%	N/A	N/A
																			N/A	N/A	
TOTAL DOMESTIC FIXED INCOME	93,424,152	6.9%	7.0%	-0.81%	0.74%	92,721,190	6.8%	7.0%	2.61%	86,502,729	6.5%	7.0%	3.15%	81,934,410	6.8%	7.0%	0.09%	5.08%	11.62%	6.95%	6.77%
<i>Lehman Aggregate</i>				-2.44%	0.57%				2.66%				0.32%				-0.15%	0.32%	10.39%	10.07%	7.54%
HIGH YIELD BONDS																					
Western Asset	-	0.0%	0.0%	N/A	N/A	85,823,964	6.3%	7.0%	1.39%	84,655,159	6.4%	7.0%	5.54%	80,212,870	6.7%	7.0%	1.99%	N/A	20.04%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				N/A	N/A				2.34%				5.91%				2.77%	N/A	22.77%	5.44%	2.66%
Loomis Sayles	46,690,678	3.4%	3.5%	-2.24%	2.47%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>Lehman High Yield Cash Pay Index</i>				-0.75%	1.44%													N/A	N/A	N/A	N/A
Sutter/Wells Capital	47,555,519	3.5%	3.5%	-0.43%	0.97%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>Merrill Lynch High Yield Master II Index</i>				-0.80%	1.45%													N/A	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	94,246,196	6.9%	7.0%	-1.32%	1.71%	85,823,964	6.3%	7.0%	1.39%	84,655,159	6.4%	7.0%	5.54%	80,212,870	6.7%	7.0%	1.99%	7.69%	20.04%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				-0.96%	1.43%				2.34%				5.91%				2.77%	10.33%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																					
International Sovereign																					
UBS Global (Brinson)	31,015,104	2.3%	2.5%	-3.20%	0.31%	32,044,542	2.3%	2.5%	1.43%	31,592,642	2.4%	2.5%	6.49%	28,349,039	2.4%	2.5%	3.17%	7.86%	18.20%	8.47%	5.93%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				-3.39%	0.16%				1.57%				6.71%				2.75%	7.59%	17.91%	8.10%	6.29%
International Core																					
Brandywine	32,155,776	2.4%	2.5%	-1.10%	-0.20%	32,515,248	2.4%	2.5%	1.76%	31,952,919	2.4%	2.5%	7.32%	27,744,819	2.3%	2.5%	1.52%	9.65%	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				-3.22%	0.10%				-0.93%				6.77%				2.76%	5.20%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	63,170,880	4.6%	5.0%	-2.15%	0.05%	64,559,789	4.7%	5.0%	1.60%	63,545,561	4.8%	5.0%	6.91%	56,093,858	4.7%	5.0%	2.35%	8.78%	17.83%	8.36%	5.86%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				-3.39%	0.16%				1.57%				6.71%				2.75%	7.59%	17.91%	8.10%	6.29%
REAL ESTATE																					
JMB	15,736			-1.49%	-1.49%	15,973			0.02%	16,911			12.83%	26,405			-8.75%	1.45%	-18.62%	-5.76%	0.42%
INVESCO	55,247,873			2.16%	0.54%	66,857,004			1.88%	66,508,962			2.16%	59,194,948			0.37%	6.72%	8.15%	8.00%	7.69%
J.P. Morgan	53,530,480			3.15%	1.33%	51,893,957			1.95%	50,903,121			3.16%	49,346,053			2.43%	11.11%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE	108,794,089	8.0%	9.0%	2.64%	0.92%	118,766,935	8.7%	9.0%	1.96%	117,428,994	8.9%	9.0%	2.63%	108,567,406	9.0%	9.0%	1.36%	8.87%	7.97%	7.69%	9.00%
NCREIF TOTAL INDEX				3.12%	1.03%				2.56%				2.76%				1.97%	10.82%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS																					
Brinson IVCF III	1,029,644			6.57%	6.57%	966,198			-4.20%	1,008,543			1.29%	902,791			13.02%	16.88%	-16.94%	3.23%	52.67%
Coral Partners V	7,762,273			-25.03%	0.00%	10,365,951			0.00%	10,574,429			-1.26%	10,226,565			-6.88%	-31.07%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	694,896			-6.24%	0.00%	741,968			66.55%	526,087			-0.95%	532,012			-15.67%	30.44%	-28.36%	N/A	N/A
Coral Partners VI	3,938,371			-1.53%	0.00%	4,004,126			-5.08%	1,584,895			-4.63%	1,664,603			-12.18%	-21.72%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,655,372			-1.29%	-1.29%	1,877,156			4.04%	1,801,507			2.36%	1,866,448			4.07%	9.41%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,762,452			2.43%	0.54%	2,469,180			5.59%	2,416,918			4.99%	2,305,853			0.98%	14.66%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	4,587,304			3.79%	0.36%	4,274,824			3.85%	4,110,117			2.47%	3,707,426			0.67%	11.19%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	2,117,351			3.30%	1.78%	1,619,635			3.95%	1,259,705			-1.11%	1,275,982			0.43%	6.64%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	985,397			1.87%	1.87%	1,182,115			1.28%	851,947			-1.16%	863,431			12.21%	14.42%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	165,420			-2.97%	-2.97%	170,676			2.18%	83,247			-0.24%	83,586			-3.58%	-4.63%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,394,248			-1.96%	-0.63%	1,274,338			10.02%	1,156,512			5.58%	1,262,624			6.32%	21.09%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,741,158			2.68%	2.68%	1,697,587			8.72%	1,559,036			0.52%	1,553,647			2.82%	15.38%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	1,088,573			1.06%	1.06%	1,078,394			6.10%	857,016			1.18%	848,452			5.06%	16.63%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,635,321			4.30%	4.30%	1,569,640			8.66%	1,298,266			0.96%	1,173,907			3.71%	18.67%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	387,530			-3.57%	-3.72%	221,070			-0.37%	221,543			0.05%	76,355			-0.05%	-3.93%	N/A	N/A	N/A
Brinson 2004 Non-US Partnership Fund	75,000			0.00%	0.00%	-			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
Brinson BVCF IV	7,919,734			10.87%	0.00%	6,803,009			14.62%	5,926,360			-3.67%	6,162,420			-1.02%	21.17%	-14.64%	-18.80%	N/A
Mattlin Patterson Global Opportunities	11,331,420			1.34%	0.00%	13,399,683			0.47%	13,881,362			10.99%	12,527,940			0.00%	13.00%	N/A	N/A	N/A
InvestAmerica	1,622,499			0.00%	0.00%	1,624,292			-7.73%	1,757,733			0.00%	1,760,703			0.00%	-7.73%	-12.50%	N/A	N/A
Hearthstone MSII	450,154			6.14%	0.00%	827,608			0.00%	1,994,213			15.36%	2,379,785			5.06%	28.64%	28.98%	13.57%	N/A
Hearthstone MSIII	6,794,490			0.00%	0.00%	4,518,797			-0.85%	5,040,140			0.00%	297,332			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	60,138,606	4.4%	5.0%	-2.13%	0.36%	60,686,246	4.4%	5.0%	3.15%	57,909,576	4.4%	5.0%	3.12%	51,471,862	4.3%	5.0%	-0.68%	3.39%	-9.74%	-10.93%	4.40%
CASH EQUIVALENTS																					
Northern Trust STIF/STEP	39,969,204	2.9%	2.0%	0.40%	0.10%	25,308,614	1.9%	2.0%	0.36%	17,423,479	1.3%	2.0%	0.32%	15,341,860	1.3%	2.0%	0.35%	1.44%	1.84%	3.33%	4.22%
<i>90 Day T-Bill</i>				0.24%	0.07%				0.24%				0.26%				0.25%	0.98%	1.52%	3.33%	4.07%
TOTAL FUND	1,361,531,889	100.0%	100.0%	-0.20%	1.63%	1,365,350,134	100.0%	100.0%	3.52%	1,323,018,668	100.0%	100.0%	10.27%	1,203,432,040	100.0%	100.0%	4.72%	19.30%	2.28%	-4.66%	1.45%
POLICY TARGET BENCHMARK																					